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Merry Christmas



Number 4

MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
NOVEMBER 1970

Released Pursuant to §1090.27 (j) and §1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - NOVEMBER 1970

The Federal Order MINIMUM uniform price to be paid producers for milk delivered to pool plants is \$6.47. This hundredweight price is for milk testing 3.5% butterfat and is subject to a producer butterfat differential of 8.2 cents for each one-tenth of one percent above or below 3.5% test.

In November 1970, 78.9% of producer milk received by pool plants was priced in Class I at \$6.92 per cwt. and 21.1% was priced in Class II at \$4.82 per cwt. The November butterfat differential for Class I was 8.4 cents and Class II was 8.0 cents.

Total producer milk received at pool plants during November 1970 was 32,246,198 pounds which is an increase of 1,779,752 pounds or 5.8% compared with November 1969. The November daily average deliveries from 745 producers was 1,443 pounds. This compares to 755 farms delivering a daily average of 1,345 pounds per day during November 1969.

PRODUCER MILK BASE NOTICE

Each producer for the Chattanooga marketing area began September 1, 1970, to establish a new milk base to be used in making payment to such producer during the months of March through July 1971. The 1971 daily average base will be computed by dividing a producer's total Grade A milk deliveries to a handler(s) during September 1, 1970 through January 31, 1971 by the number of days from the first day of delivery during such months to the last day of January, inclusive, but by not less than 120 days. Producers will be paid a uniform price for their total milk deliveries during August 1970 through February 1971. A producer base is assigned to the name (payroll account) as reported by the handler receiving the milk. Producers, particularly partnerships, are urged to see that their name(s) are correctly listed with the receiving plant and the Market Administrator.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Nov. '70			
	Over	Nov.	Oct.	Nov.
	Nov. '69	1970	1970	1969
Number of Plants - Pool		6	6	7
- Non-Pool		14	14	12
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 5.8	1,074,873	1,096,860	1,015,548
Other Source	-11.6	26,526	31,724	30,002
Other Federal Orders	-59.1	65,152	68,289	159,349
TOTAL MILK RECEIPTS	- 3.2	1,166,551	1,196,873	1,204,899
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 5.9	444,255	470,008	419,368
Skim - Regular	+ 7.5	21,170	22,720	19,686
Skim - 2% Milk	+12.6	100,214	102,923	88,961
Buttermilk	+ 9.1	52,152	55,107	47,821
Flavored Milk and Drink	- 7.1	16,381	18,513	17,628
Creams (Sweet and Sour)	+12.1	3,556	3,279	3,171
Sub-Total - Pkg. Products (Pool Plants)	+ 6.9	637,728	672,550	596,635
Other (Shrinkage, Inventory, etc.)		4,781	10,084	3,975
Sales to Non-Pool Plants		218,771	210,633	199,088
In-Area Sales by Non-Pool Plants	+16.6	48,947	54,801	41,982
TOTAL CLASS I MILK	+ 8.1	910,227	948,068	841,680
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 6.1	44,402	47,591	41,834
Cottage Cheese	+14.9	38,219	44,085	33,271
Powdered and Condensed Milk		13,621	7,624	8,123
Livestock Feed and Milk Dumped		5,547	6,810	5,094
Sub-Total - Used to Produce	+15.4	101,889	106,110	88,322
Shrinkage Class II		13,600	18,265	14,810
Other (Inventory Variation, etc.)		21,754	(19,489)	36,454
Bulk Sales to Non-Pool Plants		119,081	143,919	223,633
TOTAL CLASS II MILK	-29.4	256,324	248,805	363,219
Class I Pkg. Lbs. In Area - Pool Plants	- 0.2	467,253	500,565	468,189
Class I Pkg. Lbs. Out of Area-Pool Plants	+32.7	170,475	171,985	128,446
Class I Pkg. Lbs. In Area - Non-Pool Plants	+16.6	48,947	54,801	41,982
% Producer Milk of Gross Class I		118.1	115.7	120.7
% Producer Milk Priced in Class I		78.9	79.8	76.1

CLASS I DISPOSITION ON ROUTES IN THE MARKETING AREA
BY OTHER ORDER PLANTS AND PARTIALLY REGULATED DISTRIBUTING PLANTS

	Nov. 1970	Oct. 1970	Nov. 1969
Homo Milk	1,141,636	1,325,186	989,188
Skim-Regular	8,360	10,133	16,462
Skim-2% Milk	181,607	199,711	83,398
Buttermilk	97,880	113,533	124,509
Flavored Milk and Drink	37,944	49,263	43,894
Creams (Sweet & Sour)	985	1,020	2,010
Total Pounds	1,468,412	1,698,846	1,259,461
Daily Average Disposition	48,947	54,801	41,982
No. of partially regulated plants	1	1	1
No. of other order plants	13	13	11
Total Non-Pool Plants	14	14	12

COMPUTATION OF PRODUCER UNIFORM PRICE

Page 3

November 1970	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		27,306,795	3.375		
Less Other Source		1,848,969	2.823		
Producer Milk Class I	78.9	25,457,826	3.414840	\$6.848466	\$ 1,743,470.56
Gross Class II		7,689,720	5.948		
Less Other Source		901,348	2.126		
Producer Milk Class II	21.1	6,788,372	6.455951	7.184761	487,728.30
TOTAL PRODUCER MILK (Cl. I + Cl. II)	100.0	32,246,198	4.055045		\$ 2,231,198.86
Less Fractional Adjustment					.19
Add Value of Overage					2,017.34
Add Value of Other Source Receipts					
Allocated to Class I & Location Adj.		2,616	0.00	3.979740	104.11
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					15,755.47
TOTAL VALUE AT TEST		32,248,814	4.054717	\$6.974134	\$ 2,249,075.59
Less Test over 3.5% @ 8.2¢ per point		32,248,814	.554717	0.454868	146,689.54
TOTAL UTILIZATION VALUE AT 3.5%		32,248,814	3.5	\$6.519266	\$ 2,102,386.05
Less Producer-Settlement Fund Reserve		32,248,814		.049266	15,887.70
PRODUCER UNIFORM PRICE - 3.5% TEST		32,248,814	3.5	\$6.47	\$ 2,086,498.35

NOVEMBER 1970 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$6.05	3.6	\$6.552	4.2	\$7.044	4.8	\$7.536	5.4	\$8.028
3.05	6.101	3.65	6.593	4.25	7.085	4.85	7.577	5.45	8.069
3.1	6.142	3.7	6.634	4.3	7.126	4.9	7.618	5.5	8.11
3.15	6.183	3.75	6.675	4.35	7.167	4.95	7.659	5.55	8.151
3.2	6.224	3.8	6.716	4.4	7.208	5.0	7.70	5.6	8.192
3.25	6.265	3.85	6.757	4.45	7.249	5.05	7.741	5.65	8.233
3.3	6.306	3.9	6.798	4.5	7.29	5.1	7.782	5.7	8.274
3.35	6.347	3.95	6.839	4.55	7.331	5.15	7.823	5.75	8.315
3.4	6.388	4.0	6.88	4.6	7.372	5.2	7.864	5.8	8.356
3.45	6.429	4.05	6.921	4.65	7.413	5.25	7.905	5.85	8.397
3.5	6.47	4.1	6.962	4.7	7.454	5.3	7.946	5.9	8.438
3.55	6.511	4.15	7.003	4.75	7.495	5.35	7.987	5.95	8.479

NOVEMBER 1970 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$ 1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	66.5	869,344	\$0.84	\$ 730,248.96
Class II	33.5	438,254	0.80	350,603.20
Total	100.0	1,307,598		\$1,080,852.16

Total Butterfat Value ÷ Total Producer fat pounds = \$0.826594

Producer Butterfat Differential per point variation above or below 3.5% --- \$0.082

Reports from the following pool plants were included in the determination of the Order uniform producer price for November 1970:

Happy Valley Farms, Inc. ---- Rossville, Ga.
 Mayfield Dairy Farms, Inc. -- Athens, Tenn.
 Ray Moss Farms, Inc. --- Chattanooga, Tenn.

Nance Dairy, Inc. ---- Ringgold, Ga.
 Sealtest Foods ----- Chattanooga, Tenn.
 Dairymen, Inc. ----- Chattanooga, Tenn.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Nov. '69	\$6.01	-	-	8.0¢	\$6.47	8.2¢	\$4.62	7.8¢
Dec.	6.17	-	-	8.0	6.77	8.1	4.63	7.9
Jan. '70	6.29	-	-	8.0	6.78	8.2	4.67	7.8
Feb.	6.26	-	-	8.0	6.82	8.1	4.63	7.8
Mar.	6.15 2/	\$6.30	\$4.58	8.0	6.78	8.1	4.58	7.8
Apr.	6.09 2/	6.29	4.60	8.2	6.73	8.2	4.60	8.0
May	5.99 2/	6.16	4.58	8.2	6.75	8.4	4.58	8.0
June	6.06 2/	6.20	4.61	8.2	6.73	8.4	4.61	8.0
July	6.14 2/	6.31	4.60	8.2	6.76	8.4	4.60	8.0
Aug.	6.01	-	-	8.2	6.75	8.4	4.61	8.0
Sept.	6.32	-	-	8.4	6.76	8.4	4.66	8.1
Oct.	6.39	-	-	8.4	6.81	8.5	4.77	8.1
Nov.	6.47	-	-	8.2	6.92	8.4	4.82	8.0
Dec.	-	-	-	-	6.97	8.4	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE			
	Chi-90° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Basic Formula	(Daily Average)			
	¢ Lb.	¢ Lb.	\$-Cwt-3.5%	Minimum	Class I Pounds	Test-%	Class II Pounds	Test-%
Nov. '69	67.84	23.14	\$4.62	\$4.33	773,131	3.49	242,417	5.78
Dec.	68.45	22.96	4.63	4.33	736,616	3.46	284,057	5.76
Jan. '70	67.61	23.00	4.67	4.33	779,375	3.41	231,117	6.54
Feb.	67.60	23.15	4.63	4.33	774,028	3.42	259,675	5.73
Mar.	67.95	23.18	4.58	4.33	761,892	3.35	298,922	5.25
Apr.	69.83	25.96	4.60	4.33	784,446	3.34	332,976	4.84
May	69.85	26.84	4.58	4.33	708,369	3.29	365,773	4.53
June	69.81	26.77	4.61	4.33	690,927	3.26	324,444	4.67
July	69.80	27.02	4.60	4.33	715,318	3.27	284,243	4.65
Aug.	69.80	26.85	4.61	4.33	694,169	3.27	347,743	4.45
Sept.	70.52	26.86	4.66	4.33	881,429	3.25	209,852	5.48
Oct.	70.12	26.85	4.77	4.33	875,572	3.37	221,288	5.94
Nov.	69.88	26.82	4.82	4.33	848,594	3.41	226,279	6.46

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm ---	Pounds	
	Hdlers.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Nov. '69	19	1,204,899	841,680	755	1,015,548	-	4.04	1,345	-	-
Dec.	20	1,310,785	792,076	773	1,020,673	-	4.10	1,320	-	-
Jan. '70	20	1,241,790	834,648	752	1,010,492	-	4.12	1,344	-	-
Feb.	21	1,359,501	835,831	748	1,033,703	-	4.00	1,382	-	-
Mar.	21	1,397,629	824,119	745	1,060,814	971,078	3.89	1,424	1,303	121
Apr.	21	1,407,342	843,811	743	1,117,422	988,522	3.79	1,504	1,330	174
May	21	1,258,907	768,561	741	1,074,142	965,184	3.71	1,450	1,303	147
June	21	1,153,003	752,470	739	1,015,371	924,399	3.71	1,374	1,251	123
July	21	1,124,146	775,421	744	999,561	903,625	3.66	1,343	1,215	128
Aug.	21	1,153,814	753,698	742	1,041,912	-	3.66	1,404	-	-
Sept.	20	1,184,034	952,991	742	1,091,281	-	3.68	1,471	-	-
Oct.	20	1,196,873	948,068	748	1,096,860	-	3.89	1,466	-	-
Nov.	20	1,166,551	910,227	745	1,074,873	-	4.06	1,443	-	-

1/ Excludes Premiums

3/ Other Source is Gross minus Producer

2/ Weighted average Price

Class II is Receipts minus Class I